



The Real Estate Management Programmatic Plan

DNRC and the Trust Land Mandate

With the Enabling Act of 1889, Congress established the State of Montana and granted to the newly formed state certain lands to be held in trust for “the support of common schools.” Over the ensuing years some of the original lands have been sold and other lands have been purchased or gifted to the State, but the responsibility has always been the same: manage Trust lands for the long-term benefit of the trust beneficiaries.

The Trust Land Beneficiaries: *Public Schools · Montana Tech · State Normal School · State Reform School · Montana State University · School for the Deaf and Blind · University of Montana · State Veterans’ Home · Public Buildings · and others*

The Department of Natural Resources and Conservation (DNRC) has management responsibility for over **5.1 million acres** of Trust land. The Department upholds its fiduciary responsibility to secure the greatest measure of revenue for the trust beneficiaries, today and for future generations. The greatest immediate monetary return must be weighed against the **long-term productivity** of

the land to ensure continued future returns to the Trusts. The decisions that guide DNRC’s management of Trust lands continue to be a balancing of long-term financial, environmental, and social concerns.

Montana’s trust lands provide a variety of benefits for the communities that surround them, such as wildlife habitat, open space, and recreation opportunities. Unlike most other public lands however, trust lands carry a mandate to generate a reasonable financial return for the designated beneficiaries. What may be viewed as public open space by some members of a community is also viewed by the trust beneficiaries as a critical source of revenue. Proceeds generated from leases, licenses, sales, and easements are used for many purposes, from paying for textbooks and teachers’ salaries to funding public service programs. Revenue generated from Trust lands offsets funds that would otherwise come from tax revenues paid by residents and businesses in Montana.

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DNRC Trust Lands Mission Statement: *Manage the State of Montana's trust land resources to produce revenues for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land.*

The Real Estate Plan: Guiding Real Estate Development on Montana’s Trust Lands...

In 2005, the DNRC Real Estate Management Bureau completed a statewide Final Programmatic Environmental Impact Statement (FEIS) that serves as the Real Estate Management Programmatic Plan (“The Plan”) for policy, direction, and guidance in the selection and management of real estate development on Trust lands. The Plan covers those activities related to the leasing, exchanging, or selling of Trust lands for residential, commercial, industrial, and conservation purposes.

The Plan's Three Goals:

1. **Share in Expected Community Growth.** The Department seeks to bring trust lands an appropriate share of the growth occurring in a given community during a given period.

The degree that state trust lands will participate in the growing markets will be dependent, in part, on the vigor of the real estate market, community and beneficiary input, the location of trust lands in those markets, and the suitability (physical and biological) of trust lands.

2. **Plan Proactively.** The Department engages and complies with local growth policies and land use regulations to ensure development of trust lands meets community expectations and fully involves the public, while at the same time balancing the department's obligation to obtain the greatest benefit for the beneficiaries.
3. **Maximize Revenue for the Trust Beneficiaries.** The Department actively strives to improve trust land value by bringing entitlements to specific trust lands identified for development; by maximizing the intensity and density of development per acre; and by developing properties to those uses with the highest rates of return.

Location and Suitability Requirements

Land Development for Lease, License, and Easement. As specified in the Plan, the Department will target for development those lands with a **high suitability ranking** according to a formal analysis process. The analysis process considers numerous factors such as environmental conditions, proximity to infrastructure and other development, market trends, local land use regulations, community and beneficiary input and potential rates of return.

In general, development will be located in areas of market growth, and **within or in close proximity to incorporated jurisdictions** or unincorporated communities with developed infrastructure (such as community water/wastewater). To meet the mandate for maximum return from Trust lands, the Department pursues development of specific lands when most "ripe" for development. Such lands will most typically be found within or adjacent to growing urban areas. Rural lands will be considered for infill development or when such plant or wind power generation facility, for example. Rural lands will not be considered if a proposal will lead to "leap frog" development.

The Plan requires the Department to consider development standards for lands targeted for development in most situations; this will include community involvement to establish land use entitlements (use, density, performance standards, infrastructure extension, etc). Lands identified for development will in most situations be leased with identified development standards.

Leases, licenses or easements for **conservation uses** will be achieved through a collaborative effort involving the Department, local communities, and public and private conservation entities. The Department actively solicits interest in conservation opportunities on trust lands identified for development.

Land Sales and Exchanges. Permanent disposition of Trust property is appropriate under certain circumstances. Unlike the traditional sales process, DNRC's lands sales and exchange process offers opportunities to replace certain Trust lands with other lands that have a greater value to the Trust beneficiaries.

For more information on the Real Estate Management Programmatic Plan:

web: www.dnrc.mt.gov/trust/programmatic

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